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UNCLAS SECTION 01 OF 02 SANTO DOMINGO 004292

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SUBJECT: DOMINICAN FUEL CONSERVATION PLAN DOES LITTLE TO
LIMIT DEMAND

REF: A. SANTO DOMINGO 4215

[1](#)B. SANTO DOMINGO 4269 (NOTAL)

[1](#)1. On September 11 Dominican President Leonel Fernandez issued a second, not much improved version of a promised energy conservation plan meant to reassure the country that the government is reacting to the recent sharp rises in gasoline and diesel prices. Instead of imposing modest restrictions on vehicle circulation, as previously suggested, the government is shutting down gasoline stations nationwide after 8 p.m at night and all day Sundays. On Saturday nights the stations remain open until midnight.

[1](#)2. In a speech recorded before his departure on a ten-day trip to Washington and New York, Fernandez warned the country that cheap fuel "will not be coming back, and we must adjust to new realities." He outlined various measures meant to smooth traffic flow, including a decision to limit public transport vehicles on the street to only one-half the fleet on any given day.

[1](#)3. Fernandez promised that in New York he would urge world leaders to convene a "world summit" to discuss the effects of high fuel prices on the world economy, especially upon developing nations. He expressed concern over possible effects on inflation, fiscal stability, exchange rates, the nation's trade balance, and economic growth.

[1](#)4. On Monday, September 12 the armed forces sent armed soldiers to a number of gasoline stations in the capital to make sure they shut off service as required. The Association of Gasoline Distributors complained and said its members would lay off half of their employees.

[1](#)5. Fernandez's plan provoked initial disappointment and anger from many. The measures are little more than window dressing. Closing gasoline stations will shift demand to work hours, creating queues and inconvenience without limiting demand.

[1](#)6. Minor fixes to make traffic flow more smoothly -- such as express lanes and removal of the ubiquitous speed bumps -- are welcome, but immobilizing half the fleet of public buses each day will save little and will irritate commuters who fight for place on board. Transport union officials angrily insisting to journalists that the many privately owned buses have to keep rolling in order to make expenses and meet interest payments.

[1](#)7. Fernandez suggested that public buses should use diesel fuel rather than gasoline engines -- as most already do. The plan does nothing to limit the use of subsidised cooking gas rather than gasoline for fuel, and garages are reported to be busily converting more and newer vehicles.

[1](#)8. The President's idea of setting up vehicle inspection stations and emissions certification is a fine suggestion for the medium term, but the inefficiency of traffic law enforcement suggests that modest individual bribes will undermine enforcement efforts. The President's promise to deploy more traffic police is unlikely to be effective in enforcing the new rules.

[1](#)9. Official vehicles are to remain out of circulation over weekends, a change which Fernandez said would save 20 percent of official gasoline consumption. This comment inadvertently acknowledged how routinely these government resources are improperly used for private transportation, a perk that functionaries will not readily give up.

[1](#)10. The government will distribute 5 million florescent tube lamps in the countryside in its program, "Turn Off a Bulb."

[1](#)11. In connection with the announced package, Fernandez signed a decree renaming the largely discredited Office for the Metro to the Office for the Reordering of Transportation (OPRET), still headed by Diandino Pena. OPRET has a mandate to design and implement an "Autonomous and Single Authority of Transit and Transport" to regulate such services nationwide. T

¶12. Many people have complained about Fernandez flying off to his high-level conferences and leaving Dominicans behind to deal with ever higher gasoline prices. So in an increasingly characteristic spin, the Palace decided that the President will cancel a visit to Puerto Rico scheduled for September 19, where he was going to participate in a trade mission.

¶13. There are supportive voices. Former president Mejia and daily "Listin Diario," immediately supported Fernandez's plan, but cautioned that he must set an example by cutting back on the government's use of SUVs and fleet vehicles. "Listin" columnist Orlando Gil argued that at least the authorities are doing something to address an emergent problem and that constructive criticism so far has been scarce. He said that one of the proposed measures, alternating days for public transport vehicles, were in effect years ago in the Dominican Republic and could work again. But he predicted that limiting gas station hours would only spawn a black market in fuels.

¶14. Santo Domingo mayor Robert Salcedo, with his background as an actor and broadcaster, provided his own public relations moment last week, getting himself and a clutch of aides photographed bicycling in the Mirador Sur park. Salcedo promised that the city government would start studying, soon, the possibility of establishing bike routes across the city.

¶15. GEORGETOWN MINIMIZE CONSIDERED.
KUBISKE